

**Status: Ready To File**

**Western Massachusetts Electric Company**  
**Docket No. DTE 04-106**

**Information Request DTE-01**  
**Dated: 12/02/2004**  
**Q- DTE1-006**  
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**Witness: Richard A. Soderman**  
**Request from: Department of Telecommunications and Energy**

**Question:**

Refer to Exh. C, Att. 1, Sch. C-3.4, line 19. Please explain how the Company derived the annual depreciation accrual rate of 2.48 percent.

**Response:**

As shown in the table below, the composite accrual rate of 2.48% is derived by dividing the 2003 total estimated distribution depreciation by the total estimated distribution plant balance as of December 31, 2003. The estimated depreciation expense is calculated by applying the specific depreciation accrual rates for each plant group, approved by the Department, to each specific plant account balance.

<b>Description</b>	<b>Estimated Plant Balance @12/31/2003</b>	<b>Estimated Depreciation</b>	<b>Composite Accrual Rate</b>
	<b>A</b>	<b>B</b>	<b>C =(B/A)</b>
WMECO Customer Service	\$ 38,037,690	\$ 2,005,946	5.27%
WMECO Distribution	476,804,890	10,736,882	2.25%
Total Distribution	<u>\$ 514,842,579</u>	<u>\$ 12,742,828</u>	<u>2.48%</u>